

Message Text

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PAGE 01 CARACA 14651 202201Z
ACTION ARA-10

INFO OCT-01 ISO-00 TRSE-00 EB-07 AID-05 OMB-01 XMB-04
FRB-01 CIAE-00 INR-07 NSAE-00 CIEP-02 CEA-01 PA-02
PRS-01 USIA-15 SS-15 SP-02 /074 W
----- 072372 /66

R 202030Z DEC 76
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 6038

UNCLAS CARACAS 14651

E.O. 11652: N/A
TAGS: EFIN, VE
SUBJ: GOV PLANS MASSIVE BORROWING FOR DEVELOPMENT PROGRAMS

REF: A. CARACAS 10443; B) CARACAS 11725

1. IN AN INTERVIEW PUBLISHED IN THE LOCAL PRESS DECEMBER 20, CENTRAL BANK PRESIDENT BENITO RAUL LOSADA CONFIRMED VENEZUELA WOULD SEEK MASSIVE EXTERNAL FINANCING FOR DEVELOPMENT PROJECTS UNDER PLAN V, POSSIBLY AS MUCH AS \$5 BILLION. THIS WOULD BE JUST UNDER 20 PERCENT OF THE APPROXIMATELY \$27 BILLION IN SCHEDULED GOVERNMENT OUTLAYS REQUIRED UNDER THE PLAN BETWEEN NOW AND 1980.

2. LOSADA EMPHASIZED IT WAS EXTREMELY IMPORTANT TO DIFFERENTIATE BETWEEN THE GOVERNMENT'S EFFORTS TO REFINANCE EXISTING SHORT TERM DEBT, AND ITS DESIRE TO FINANCE CAPITAL INVESTMENT UNDER THE NATIONAL PLAN. THE LATTER FINANCING WILL BE SPREAD OUT BETWEEN NOW AND 1980, AND CONSIST OF MEDIUM AND LONG-TERM DEBT.

3. AS INDICATED IN CARACAS 11725, THE GOV HAS ALREADY BORROWED \$1 BILLION TO REFINANCE THE CONSOLIDATION OF SHORT TERM FOREIGN OBLIGATION OF DECENTRALIZED GOVERNMENT INSTITUTIONS. TO COMPLETE THIS REFINANCING PROGRAM, THE GOV WILL REPORTEDLY
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NEED AN ADDITIONAL \$1 BILLION, WHICH IT INTENDS TO OBTAIN FROM DOMESTIC BORROWING. THE FIVE BILLION DOLLARS IN NEW FUNDING WILL BE IN ADDITION TO THIS AMOUNT.
VAKY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEVELOPMENT PROGRAMS, DEVELOPMENT LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976CARACA14651
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760467-0812
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761226/aaaaavxx.tel
Line Count: 59
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 CARACAS 10443, 76 CARACAS 11725
Review Action: RELEASED, APPROVED
Review Authority: schwenja
Review Comment: n/a
Review Content Flags:
Review Date: 21 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 JUN 2004 by chengls>; APPROVED <31 AUG 2004 by schwenja>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOV PLANS MASSIVE BORROWING FOR DEVELOPMENT PROGRAMS
TAGS: EFIN, VE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006